

## **RESPONDING TO INDUSTRY DEMANDS AND RAPID CHANGE**

### **Introduction**

Americans are enjoying the strongest economy in a generation. Given the strong economy, it is not surprising that employers across the country have said that they cannot find enough qualified workers. Soaring demand for technology-related workers in particular has been highly publicized. Americans who want to work and progress need skills to ensure that they can take advantage of the new employment opportunities our economy is creating.

### **One Key Response: H-1B Technical Skill Training Grant Program**

The American Competitiveness in the 21<sup>st</sup> Century Act of 2000 (ACWIA2000) was enacted October 17, 2000. ACWIA2000 increases to 195,000 in each of three years (2001, 2002, and 2003) the number of highly skilled foreign workers who can be brought in to the United States by employers to work in specialty occupations. Separate legislation raised the employer-H-1B application fee to \$1000. ACWIA2000 authorizes the use of 55 percent of the funds generated by fees to continue to finance critical training under the Department of Labor's H-1B Technical Skill Training Grant Program. Similar to the American Competitiveness and Workforce Improvements Act (ACWIA) of 1998, it is designed to help American workers – both employed and unemployed – acquire the requisite skills in occupations that are in demand, particularly in industries such as information technology and health. These grants generally provide funds to consortia of business, labor, community-based organizations and local Workforce Investment Boards.

Its predecessor – ACWIA 1998 – was enacted in October 1998, authorizing the use of over half of a \$500 employer H-1B application fee to finance a H-1B Technical Skill Training Grant Program. The Department of Labor developed the H-1B solicitation for grants, consulting with interested groups for help in refining the rules and parameters for the competition. They included key stakeholders representing business, trade and industry groups, labor unions, Congressional staff, community- and faith-based organizations, community colleges and others. Three rounds of funding have taken place during 2000 under H-1B competitions, totaling about \$96 million in Department of Labor investments in 43 grant programs. These funds will enable American workers to participate in training in such occupational areas as computer engineering, Internet technology, web design, data communications and network computer support specialties, electronics, accounting, and health care.

- C      The Department of Labor announced the first funding round on February 10, awarding nine grants totaling \$12.4 million.
- C      On July 19, the Department of Labor announced 12 second-round grant awards totaling \$29.2 million.
- C      The Department of Labor launched on October 20 a third round of 22 H-1B technical skill training grants, totaling \$54 million to 22 consortia.

Additional rounds of competition for H-1B Technical Skill Training Grants will continue under ACWIA 2000 using the H-1B fees. New requirements under ACWIA modify the current H-1B technical skills training grant program. For example:

- C The legislation now clarifies that technical skills training is not limited to skill levels commensurate with 4-year undergraduate degrees. Training also can include the preparation of workers for a broad range of positions along a career ladder.
- C It separates the H-1B grant funds into two parts:
  - The Secretary of Labor will award 75 percent of the funds for technical skill training to local workforce investment boards or consortia of such boards.
  - The remaining 25 percent of the funds go to partnerships that are not eligible for the 75 percent funds.
- C The statute specifies which parties may apply for funds as part of a consortium or partnership, emphasizes small business participation, and mandates that there be an equitable rural and urban mix in making awards.
- C At least 80 percent of the grants will be awarded to projects that train workers in skills in high technology, information, technology and biotechnology.
- C It also strengthens accountability provisions, including specific, measurable outcomes.

H-1B provides an important opportunity for local workforce investment boards and others to help American workers – including those who are underrepresented in high tech fields – acquire the skills for occupations for which businesses are seeking H-1B workers. Local boards may need to rethink their strategy about broadening their customer base by providing training to high skill workers in discussions with partners and key stakeholders. They can use these discussions in developing approaches to help underrepresented groups access high tech skills training. They also can use these H-1B grant resources as a way of building capacity in their communities to provide this training.

### **Innovative Responses to Skills Shortages in Department of Labor Programs**

DOL has funded a number of innovative projects as a result of the first and second round H-1B Technical Skills Grant competition under ACWIA. They include:

- **The Workplace, Inc.** (Bridgeport CT) - This project proposes a system of employer certified skills centers in southwestern Connecticut to train people in identified occupations that are high skill and in short supply. Workplace, Inc. views the current “Emerging Technologies Model” of jobs as very different from the traditional “Business Model.” In the traditional pyramidal model, entry-level low-skill jobs at the bottom rung predominated. In the newer model, there are far more high skill jobs with relatively few lower skilled workers to upgrade into the higher levels of employment. The objective is to measurably reduce the need for H-1B visas in the southwest Connecticut area.

The project proposes to use skill standards established under the aegis of the National Skill Standards Board (NSSB) and will formally certify individuals meeting those standards. A number of area businesses, community organizations and educational institutions are involved; in particular, Pitney Bowes will provide classrooms, instructors, materials and equipment.

- C **NOVA (CA) Private Industry Council** (Sunnyvale CA) - The consortium of business, training, and service organizations includes NOVA, two community colleges, Opportunities Industrialization Center West, University of California Santa Cruz Extension, Joint Venture: Silicon Valley Network, California Employment Development Department, Sun Microsystems, and Cisco Systems. The goal is to equip about 200 individuals with high level technical skills to bridge the “digital divide.” A diverse population from some of the poorest neighborhoods in Silicon Valley, participants will receive one-on-one assistance from counselors/training coaches. A new program called STEP (Systems Administration Training and Employment Program) designed by a team including representatives from Sun Microsystems, Cisco Systems, NOVA and local community colleges will enable individuals to become certified systems administrators in less than one year.
  
- **The Philadelphia Workforce Development Corp** (PWDC) - In partnership with 60 health care employers, 25 nursing schools, the One Stop Career Center system, and the largest union-based trainer in the country (District 1199C Training and Upgrading Fund of the National Union of Hospital and Health Care Employees, AFSCME, AFL-CIO.), PWDC is launching a comprehensive training initiative designed to address the growing shortage of skilled nurses in the Philadelphia area. In addition to training, the project will offer the full range of supportive services – such as career counseling, testing, assessment, and job placement – provided by the Training and Upgrading Fund and other funding sources.
  
- C **Greater Baltimore Technology Training Connection** - The Baltimore County Office of Employment and Training (BCOET) will coordinate a consortium of partners to help alleviate technology skills shortages in the region through the Greater Baltimore Technology Training Connection. About 300 individuals – half incumbent workers and half unemployed workers – will receive primarily employer-based training in skills required for eight IT career clusters. Targeted occupations for the technical skills training include: database development and administration, digital media, enterprise system analysis and integration, network design and administration, programming/software engineering, technical support, technical writing, and web development and administration. Partners include the Greater Baltimore Technology Council and the Baltimore County Technology Council – both of whom represent technology businesses and other area organizations that hire technology professionals.
  
- C **Workforce Investment Board of Contra Costa County** (Concord CA)- Kaiser Permanente and Health Care Workers Union Local 250 have formed a partnership that will provide 30 licensed vocational nurses with training to advance the nursing careers and become registered nurses. In addition, 280 entry-level, lower-skilled workers in health care jobs will be trained to move up the career ladder into health care jobs such as acute care

nurse assistants, medical assistants, and unit assistants. Occupational training for these 280 incumbent workers will take place over a 20-month period at various Kaiser Permanente sites throughout Northern California. Training for the 30 licensed vocational nurses to advance them into registered nurse positions will be provided through a concentrated one-year degree program provided in conjunction with local community colleges.

The Department of Labor also has launched a number of other complementary and creative activities to address the skill shortages issue. They include:

C     **Minority Colleges and Universities Partnership Building and Training:** The Department of Labor awarded about \$14 million in grants on October 20, 2000 to enable 13 minority colleges and universities to develop new approaches to train workers for high skill jobs in areas where companies are facing skill shortages. These competitively awarded grants will be used to: (1) establish new regional partnerships involving the colleges and universities, businesses, local workforce investment boards, elected officials, and community and faith-based organizations to assess community needs, tailor training curricula to meet business requirements, and undertake small-scale training activities; and (2) to enable the colleges and universities to further develop and implement training in skill shortage fields.

C     **Bell Atlantic Multi-state Recruitment for Technical Skills:** The Department of Labor's partnership with the Bell Atlantic Corporation to recruit employees for technical occupations represents an emerging model of public/private collaboration to address skill shortages. The goal is to recruit as many new employees as possible for technical and customer representative jobs across 10 states in the Bell Atlantic Corporation's New England and Mid-Atlantic regions. The State and local workforce development systems in these regions are the primary recruitment resource for the Bell Atlantic Corporation.

This private/public partnership is based on a mutual commitment to address skill shortages by reaching into the domestic labor market through the public workforce investment system. The partnership is a model of how to meet the challenges associated with a large-scale, multi-State response to skill shortages through building a long-term private/public working relationship. It does not involve a Federal grant to the Bell Atlantic Corporation.

The Bell Atlantic Corporation has rigorous standards for entry level hiring because entry-level employment is the threshold of a career ladder leading to high-paying technical and professional jobs which are supported by extensive employer-sponsored training. A product of this collaboration will be evaluation and technical assistance resources that can be used throughout the workforce development system to serve employers with similar multi-State recruitment needs.

C     **Communication Workers of America Military to Work Project** – Military personnel can access this program through the Transition Assistance Program. This Internet program (<http://www.cwajobs.com>) allows transitioning service members and veterans to self-register, take an assessment test, and receive an evaluation of their technical abilities. The program is intended to help users determine the best job match for their skills, interest, and career goals for high

technology jobs within the telecommunications industry. Cisco Systems joined the program in January 1999 and provides a sophisticated on-line assessment test.

Many telecommunications companies, including At&T, Lucent Technologies, and PacBell are partnered with CWA and provide CWA information on available jobs. CWA personnel match the service member applications with the appropriate jobs and forward their resumes to the applicable company. Service members who have the aptitude but require additional training are directed to apprenticeship and skill certification programs. In collaboration with Stanly Community College, Cisco Systems also has included an on-line distance learning component that includes assessment and training for computer literacy, computer technology, and to become a Cisco Certified Network Associate (CCNA). Six occupations are available to job seekers: cable installation technician, network technician, personal computer support and applications assistant, local area network/wide area network technician, central office technician; and customer service representative.

- C MetroTech:** On March 23 the Department of Labor announced a grant of up to \$20 million for a regional consortium consisting of Maryland, Virginia and the District of Columbia to address skills shortages in the information technology industry in the Washington Metropolitan region. Known as Metrotech, it is a unique program providing information technology training to 3,300 individuals – primarily dislocated workers – in the region. The three jurisdictions collaborate to recruit interested Information Technology (IT) employers by customizing training and by matching newly skilled workers with jobs. This operational grant builds upon the successful pilot efforts of a smaller planning grant awarded by DOL to the jurisdictions in late 1998, including “repeat business” from local employers.

MetroTech – because it brings together employers, workers, and government – helps meet of both industry and workers and also matches a 21st century challenge with a 21st century solution. It focuses on a coordinated response within in the Greater Washington Metropolitan area – one of the fastest growing locations for technology companies, many with significant workforce needs. By working with technology industry employers to identify job openings and the specific skills needed to meet the demands of those positions, the jurisdictions are better equipped develop recruitment and training strategies to meet these needs. It serves as a model for regions using a multi-jurisdictional, public and private sector partnership to meet the training needs of workers while addressing the skills demands of industry.

Working closely with participating employers, curricula are developed by local educational institutions or current curricula are approved by employers to meet the specific employers’ specific hiring needs. Training will provide workers with core competencies required in the high tech field and uses specific training modules geared towards specific employers. Private sector contributions also help finance training, mentoring and other project activities and services. Ninety percent of the trainees are expected to enter employment with the collaborating employers.

- **Fort Campbell TN Career Advancement Center (CAC)** - Since 1996, the Fort Campbell CAC has provided training and employment-related transition services to over 1,400 military separatees at the Fort through grants provided by the Department of Labor — the most recent grant is for up to \$4.1 million which was announced on June 30. The Fort Campbell CAC represents a partnership of the North Tennessee Workforce Board, the Department of Labor,

the U.S. Army and area employers and training providers to respond to the transition needs of military personnel being discharged from the U.S. Army.

### **Workforce Investment Act of 1998**

The bipartisan Workforce Investment Act of 1998 provides the framework for a workforce preparation and employment system designed to meet both the needs of the Nation's businesses and the needs of job seekers and those who want to further their careers. This system began in all States on July 1, 2000, giving new responsibilities to States and local communities to design and manage training and employment programs at the local level where the needs of customers are best understood. Through their leadership position on the workforce investment boards, business leaders have the opportunity to develop strategies to address skill shortages based on their assessment of local and regional labor market needs. These leaders can play an active role in ensuring that an infrastructure is created that will prepare people for current and future jobs. Key components of this will:

- C     Enable customers to easily access the information and services they need through the "One-Stop" system,
- C     Empower adults to obtain the training they find most appropriate through Individual Training Accounts,
- C     Ensure that all State and local programs meet customer expectations, and
- C     Ensure strong accountability for performance.

Local workforce investment systems will benefit from closer connections to employers experiencing skill shortages. Workers who adequately prepare to meet these employers' requirements should be able to obtain decent jobs at good wages. Employers will benefit through greater access to workers with the skills they need. The workforce investment system is building a solid track record of meeting the expectations of its customers – both workers and employers.

The bipartisan WIA also provides the authority for a state of the art, quality information system that helps American workers and companies navigate the labor market and exercise informed choice in their workforce decisions. There are several components to this system:

- C     **America's Job Bank** – the biggest and busiest job market in cyberspace; 1,750,000 job vacancies from every State; new jobs added daily; simple to use..
- C     **America's Talent Bank** – where more employers find people they need; lists 700,000 resumes; allows job seekers to post resumes electronically.

- C     **America's Career InfoNet** – the information source for smart career decisions; has national State and metro labor market data; employment trends, wages, and more; millions of employers listed by industry.
- C     **America's Learning Exchange** – lifelong learning resources at your fingertips; lists 200,000 courses, 5,000 training providers; training, education, technology for career advancement and development.
- C     **O\*Net** – information source for employers, students, job seekers, career counselors and others on job requirements and worker competencies.

In Fiscal Year 2000 roughly \$4.5 billion will be invested in Title I of WIA to support formula-funded services. The Congress recognized in ACWIA the need to build a single, unified skill development system under WIA. Thus, it specifies that the eligible applicants for the H-1B Technical Skill Training Grants Program are the local Workforce Investment Boards that have been established under the WIA – or regional consortia of these Boards. As the Department of Labor helps States and local communities implement WIA, it is building and strengthening partnerships among Workforce Investment Boards, businesses, schools, labor unions, public agencies, and community-based and faith-based organizations that can help meet local and regional demands for high-skilled workers.